

Can green be green?

Development firm with environmental bent has \$20M pipeline of projects, predicts big payoff

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Expensive suits and luxury cars are standard issue for most developers, but not for the owners of locally based Casa Verde LLC.

Three of four owners sport beards. They wear sweaters and jeans. They drive a Toyota Prius, Honda Civic, Hybrid Toyota Highlander and a Volkswagen Turbo Diesel. They build only Leadership in Energy and Environmental Design, or LEED, certified projects.

But don't let the hippie image mask the company's mission: Make a lot of green by building green.

Casa Verde—which is Spanish for “green house”—has quickly pieced together a \$20 million development pipeline, anchored by a 40-unit condo project called Jackson Place that sits about 100 yards from the world headquarters of Cummins Inc. in Columbus. The project has a \$14 million price tag.

As the city's only exclusively green developer, the firm's results could help pave the way for other firms to build green projects.

In Indianapolis, Casa Verde's newest venture is The Broadway, a renovation of a 1915 apartment building at the corner of Broadway and 22nd streets. The \$1 million project calls for 13 LEED-certified condos, two at market price and the rest for low-income buyers. Prices will range from \$70,000 to \$120,000.

Casa Verde bought the property, which includes two adjoining lots, for \$285,000, and plans to spend another \$850,000 on the renovation. The company hopes to demolish the home next door in an eco-friendly manner, reusing as many of the raw materials as possible.



Casa Verde also is building three single-family homes along Park Avenue in the King Park neighborhood and is working on deals for a retail strip center and a medical office building.

The company's owners are: Michael J.W. Greven, 50; David Kadlec, 55; Reid Litwack, 46; and Michael Sanders, 43.

Before starting the company, Greven managed construction for locally based Mansur Development, Kadlec ran his own marketing business and Sanders was an executive coach. Litwack continues to run a local steel distributor called Steel House.

The group of friends met over coffee around Litwack's kitchen table in 2006 and decided to start Casa Verde. It began with an initial investment of \$115,000.

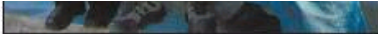
“Our intention is to be a powerful market force in Indianapolis,” Kadlec said. “We're looking to be effective businesspeople and to make a difference in the world. We're just seeing the beginning of a huge wave.”

Standards vary

Nationwide, more than \$12 billion of green construction projects are slated to begin in 2008, according to the Washington, D.C.-based U.S. Green Building Council, the not-for-profit that sets LEED certification standards.

But movement has been slower to catch on locally. In early 2007, when the Builders Association of Greater Indianapolis sent an e-mail inviting more than 300 members to a

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meeting of a new Green Building Committee, only two builders attended.

The owners of Casa Verde are, from left, Michael Sanders, Michael Greven, Reid Litwack and David Kadlec.

That number has grown to 10, said Micah Hill, a member of the committee and partner in Indianapolis -based Re -Development Group Inc., a builder/developer whose projects are mainly in the urban core.

Re-Development Group incorporates elements of green —such as energy -efficient windows, doors and insulation — into every project. The company also builds on urban lots with existing roads and utilities so it does not contribute to sprawl.

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Going Green Focus
section in next
week's edition.**

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The company, which is owned by Patrick Dubach, plans to base its green efforts on a set of standards being developed by the National Association of Homebuilders. The new standards will be unveiled at the association 's national convention in February. (The more stringent LEED standards —which Casa Verde observes —haven't gained as much traction in residential development as they have in commercial projects.)

A top mission of the new standards will be to make green possible at a variety of price points, said Steve Lains, CEO of the Builders Association of Greater Indianapolis. They won 't "draw a line in the sand " like LEED, instead giving consumers broad discretion.

The true measure will be whether buyers are willing to add 3 percent to 4 percent to the cost of a new home in exchange for future savings on utilities.

Lains is betting many will. Green building is one of the association 's top priorities for 2008.

"We view green not simply as a trend, but as a movement in the marketplace, " he said.

Making money

Casa Verde LLC

Headquarters: 7671 N. Pennsylvania St.

Founded: 2006

Owners: Michael J.W. Greven, 50; David Kadlec, 55; Reid Litwack, 46; Michael Sanders, 43

Development pipeline: \$20 million in projects, including single-family homes, condominiums, medical office and retail

Source: Casa Verde LLC

One of Casa Verde's goals is to prove that sustainable is profitable, said Brian Gallagher, the company's first full-time employee.

So far, that has been a challenge. The company 's first single -family home in King Park has not sold, in part because of its lofty \$314,900 price in a neighborhood that includes several empty lots and abandoned homes. The sluggish market could be another factor.

The house features spray foam insulation, bamboo floors, windows that qualify for the government's Energy Star rating, and a water heater that heats water only as it is needed. The estimated monthly utility bill for the 2,280 -square-foot home is less than \$100.

Casa Verde plans to build a total of three homes on two King Park lots, at 2125 and 2129 N. Park Ave. The company paid \$115,000 for the properties.

Greven believes demand will grow for green.

"The paradigm is changing, " said Greven, who also runs a consulting firm called EcoSource. •



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